



**Long Term Business Volunteers – Emerging Markets Development Advisers Program
(EMDAP)**

**Quarterly Performance Report
April 1 – June 30, 2014**

**Leader with Associate Agreement (LWA)
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Implementing Organization:

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SUMMARY:

This report details the progress of three 2012-14 EMDAP Advisers on assignment in Indonesia during Quarter III of FY2014. The names and organizations of the Advisers sponsored by USAID/Indonesia are the following:

- Yvonne Chen - The American Chamber of Commerce (AmCham)
- Goolda Siahaan - The Employers Association of Indonesia (APINDO)
- Patrick Tangkau – The Chamber of Commerce and Industry (KADIN Indonesia)

TASKS COMPLETED THIS QUARTER:

- Provided ongoing support with any in-country issues.
- Monitored Advisers to ensure reports were submitted to IIE/VEGA/USAID in a timely manner.
- Disbursed funds to Advisers.

TASKS FOR NEXT QUARTER:

- Provide ongoing support with any in-country issues.
- Monitor Advisers to ensure reports are submitted to IIE/VEGA/USAID in a timely manner.
- Disburse funds to Advisers.
- Perform close-out procedures for program.

1. **YVONNE CHEN**
POLICY ADVISER
AMERICAN CHAMBER OF COMMERCE (AMCHAM), INDONESIA
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Assignment Period: 24 Months: September 10, 2012 - September 9, 2014

Ms. Yvonne Chen currently works for the American Chamber of Commerce (AmCham) under the USAID sponsored Strengthening Business Associations for Reform (SEBAR) program. Ms. Chen's mandate under SEBAR is to assist business associations, primarily AmCham as well as the Employers Association of Indonesia (APINDO), and the Indonesian Chamber of Commerce and Industries' (KADIN), in promoting a healthy investment and business climate for domestic and foreign investors in Indonesia. SEBAR is a piece of the overarching SEADI program that aims to strengthen Indonesia's research capabilities in the public and private sectors. The focus of her activities will be on assisting the associations to analyze key issues and advocate for reforms that will accelerate and make more inclusive Indonesia's economic growth from both an economic development and private sector lens.

During the past quarter, Ms. Chen attended a meeting between USAID's Environment Office and their IFACS project to discuss the potential for ecotourism in one or more of the USAID deforestation landscapes. She, along with the SEBAR Advisors, presented their ecotourism concept note to Bappenas in March and again in April, which allowed them the opportunity to revise their research topic and approach. A meeting with the Environment office in mid-April confirmed a green-light for the project.

Apart from their USAID consultations on the ecotourism project, the SEBAR Advisors met with their Bappenas supervisor Pak Mesdin and his staff in April and again in June. Pak Mesdin provided feedback on their proposed research plan for ecotourism, and then checked in on the research's development. He was able to provide some very useful advice, including which stakeholders to include and nuances in types of tourism to be aware of. The report, apart from being useful for USAID, may also be useful for Pak Mesdin's drafting of the five-year plan for Indonesia's national development, which is due in October, and includes a very lengthy section on tourism development. Ms. Chen and the SEBAR Advisors held several planning meetings for their joint research on ecotourism in Karimunjawa during this period. The purpose of these meetings was to finalize the concept paper, decide on a research location, finalize the interview protocols, and fix logistics for the nine day trip in July to interview over 30 stakeholders in three locations in Central Java.

As for AmCham specific activities, during the past three months, as in the three months prior, Yvonne spent the majority of her time assisting the more active AmCham Indonesia committees with their advocacy and secretariat needs. This included requesting meetings with relevant government officials, taking minutes and organizing committee meetings. In terms of her communications work, she wrote several articles that were posted to the biweekly newsletter and website (see accomplishment).

As mentioned in the previous report, one of the more important communications projects for Yvonne in the past three months is compiling a short list of "facts" about US companies for the US Ambassador, so that he can use these "factoids" when talking to Indonesian private sector and government in his travels across Indonesia (see accomplishment).

Next quarter will be a continuation of the work Ms. Chen started in the last quarter. Ms. Chen and her SEBAR colleagues will analyze the data they collected for their research (during June 29-July 8)

and send it to USAID and Bappenas for feedback, after which they will write the final paper, and with Brian Duzsa's help, they will do a road show of the research. The research is expected to be impactful for both USAID, which does work in conservation in its marine and forestry projects (IMACS and IFACS) and Bappenas (which includes tourism in its planning and budget allocation activities).

PROJECT ACCOMPLISHMENTS:

Project	Accomplishment
Pharmaceutical and Life Sciences Committee	<ul style="list-style-type: none"> Wrote input letter from the Ambassador to the Minister of Health, which the Foreign Commercial Service drafted. The outcome was a meeting that was held on July 11, 2014 with the Minister of Health and US companies. On a grander scale, this is an example of good regulatory practice that makes for good government.
Food Security Committee (abbreviated FKPI in Indonesian: Forum Ketahanan Pangan Indonesia)	<ul style="list-style-type: none"> Requested meetings with DG of Domestic Trade, after being refused by the Minister of Trade; and with the Coordinating Minister of Economy; both are expected to take place in July 2014. The outcome was a meeting between companies and the DG on July 21, 2014. On a grander scale, this is an example of good regulatory practice that makes for good government.
Trade and Investment Committee	<ul style="list-style-type: none"> Arranged and provided follow-up member email for the April 28 event on industry and trade laws (issued in December 2013 and January 2014), featuring four lawyers. The outcome was learning/knowledge attainment by member companies about the new laws, which affect their doing business in Indonesia. On a grander scale, this is an example of good regulatory practice that makes for good government. Arranged the June 12 event on the new negative investment list, which saw 25 companies and AmCham staff attend. The outcome was an opportunity for member companies to explain their views as the private sector on the regulation that they are affected by, which is on a grander scale, an example of good regulatory practice that makes for good government. On a grander scale, this is an example of good regulatory practice that makes for good

	<p>government.</p> <ul style="list-style-type: none"> ▪ Wrote a position paper summarizing the inputs of the companies to the foreign investment board, which was also the request by the US foreign commercial service in May 2014. The outcome of this paper, which is a communication product for the government, has increased communication between government and private sector on a foreign investment matter that affects foreign investors. On a grander scale, this is an example of good regulatory practice that makes for good government. ▪ Arranged a meeting with the director general of standardization and consumer protection of Ministry of Trade, which will take place on July 10. The outcome was a meeting that took place on July 10, in which companies were able to get answers for their questions about the new labeling regulation that was released in December 2013, and which was effective on June 25. On a grander scale, this is an example of good regulatory practice that makes for good government. ▪ Assisted in writing an issue brief on labelling, in coordination with the US ASEAN Business Council, and was sent to the director general of standardization and consumer protection of Ministry of Trade. The outcome of this paper, which is a communication product for the government, is increased communication between government and private sector on a foreign investment matter that affects foreign investors. On a grander scale, this is an example of good regulatory practice that makes for good government.
Communications Team	<ul style="list-style-type: none"> ▪ Wrote several articles that were posted to the biweekly newsletter and website, including a summary of a high-level meeting between the foreign chambers and the Coordinating Minister of Economy, AmCham Indonesia's briefing

	<p>event about the new trade and industry laws, and summary about AmCham Indonesia's meeting about the negative investment list between AmCham Indonesia member companies and the Foreign Investment Board and the corresponding white paper about the new negative investment list.</p> <ul style="list-style-type: none"> ▪ Compiled a short list of "facts" about US companies for the US Ambassador, so that he can use these "factoids" when talking to Indonesian private sector and government in his travels across Indonesia. This output should have been included in the joint research on American investment funded by SEADI ("Partners in Prosperity" study launched in October 2013) but in reality there is very little depth about US contributions in qualitative terms in that study. The product describes briefly how US companies make positive contributions to Indonesia's economy, environment, human capital development, etc, in that study.
Networking	<ul style="list-style-type: none"> ▪ Attended several high-level meetings, including two International Business Council meetings as AmCham's representative, meeting with KADIN in preparation for the June 20 presidential dialog event, and a meeting of the foreign chambers to discuss coordination on common issues that EuroCham called.
Other	<ul style="list-style-type: none"> ▪ Arranged a high level meeting that included representatives from the foreign chambers of Korea, Australia, America and Europe and the US Ambassador and Economic Section staff to meet with Coordinating Economy Minister Chairul Tanjung and Chairman of the Coordinating Board. This included a coordinating meeting to do a focus group and gather information for a joint position paper about infrastructure recommendations, creating the PPT that was used in the meeting, and relaying information about attendees and other formalities as the liaison of the foreign chambers to

	the Coordinating Economy Ministry.
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OBJECTIVES:

Objective	Timeline
Support the three Associations to cooperate in joint efforts and write and present joint position papers	July-September 2014
Collect data from Association members on trends and challenges in Indonesia's investment climate through bi-annual survey	NA
Assist in designing and delivering programming for the AmCham Young Professionals Committee	July 2014
Assist AmCham Committees and Board of Governors with Advocacy Efforts	July-September 2014
Participate as an Active Member of Communications Team	July-September 2014
Miscellaneous: Joint-chamber activities (non-SEBAR), networking	July-September 2014

PHOTOS:

No photos available this reporting period.

2. GOOLDA SIAHAAN

ECONOMIC POLICY RESEARCHER

THE EMPLOYERS ASSOCIATION OF INDONESIA (APINDO)

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Assignment Period: 31 Months: February 13, 2012 - September 12, 2014

Mr. Goolda Siahaan started working at the Employers Association of Indonesia (APINDO) in February, 2012. His primary tasks are to assist the Strengthening Business Associations for Reform (SEBAR) program in Indonesia sponsored by USAID and to promote a healthy investment and business climate for domestic and foreign investors in Indonesia. Mr. Siahaan has been working as an Economic Policy Researcher in APINDO since February, 2012. Goolda has had the responsibility to undertake a number of assignments based on SEBAR projects and APINDO activities in research activities. On SEBAR team, Mr. Siahaan has been cooperating with Advisers in the American Chamber of Commerce (AmCham) Indonesia and the Indonesian Chamber of Commerce (KADIN) to conduct joint policy research. Mr. Siahaan's main task is to produce position papers with the SEBAR team. As a part of his work in supporting research activities, he also actively participates in meetings, seminars, workshops or discussions both formally and informally that are organized by various institutions.

Similar to previous reports, Mr. Siahaan's scope of work did not change during this quarter of 2014. Under the direction of his supervisor to support APINDO's program activities, Mr. Siahaan has contributed for a number of projects to assist the boards of APINDO and the APINDO research team. He has also conducted several research activities to support the SEBAR research project and the APINDO research team. Moreover, he is continuing to participate in numerous meetings, discussion forums, seminars, and workshops organized by APINDO, KADIN, AmCham, USAID, government ministries, private sector, and research institutes.

Mr. Siahaan's work and time were more focused on the SEBAR research activity, namely conducting ecotourism research. With the SEBAR team he has been conducting research on The Management and Implementation of Ecotourism in Indonesia (study case in Karimunjawa). The research is being conducted through several stages, starting from generating ideas with his SEBAR colleagues, brainstorming with stakeholders (APINDO, KADIN, AmCham, USAID, BAPPENAS), making research plans, data collection and analysis, writing papers, and providing recommendations and revisions for the final paper. Mr. Siahaan started this research by identifying issues and problems in the management and implementation of ecotourism in Indonesia. For data collection he has also identified and categorized the respondents who will be interviewed by the SEBAR team. The respondents consist of government officials, entrepreneurs, local community leaders, NGO reps, and tourist. The respondents are spread in several locations in Semarang, Jepara, and Karimunjawa.

Mr. Siahaan has also produced an analysis on strategic issues in Indonesia for the APINDO 2014-2019 Roadmap. In this project, he identified strategic issues in the infrastructure sector in Indonesia and provided recommendations for APINDO. The strategic issues in infrastructure are related to the sector of transportation and national connectivity, the availability of electricity, water resources, drinking water and sanitation, financing in infrastructure, and obstacles in infrastructure projects (Public Private Partnership).

In terms of technical assistance based on request of his supervisor, Mr. Siahaan helped prepare analysis on the APINDO standpoint towards infrastructure sector and PPP projects in Indonesia for the board of DPN APINDO. He also provided advice to the APINDO research team on the topics

discussed particularly about current infrastructure condition and its impact to the Indonesian economy.

Mr. Siahaan also attended and participated in numerous meetings, forums, and seminars organized by APINDO, KADIN, Bappenas, USAID, and other institutions. In these events, he participated in discussion and sharing information, contributing ideas and solutions for the issues discussed and also collected data and information for research.

Working in the SEBAR project requires a clear direction and good coordination among of the SEBAR project stakeholders. The challenges in doing the SEBAR research project are coordinating between the SEBAR project stakeholders, research budget, limited data and information, data collection processes, and time constraints. Moreover, the challenges in contributing technical assistance for the boards of APINDO are not having clear objectives, limited data and information, time constraints, and internal coordination within the APINDO secretariat. The positive side is that Mr. Siahaan can convey his ideas, opinions, and is involved in formulating policies through producing research papers and give advice in various discussions for business associations, the GOI, and the SEBAR project.

In the next quarter, Mr. Siahaan will continue working to complete the SEBAR research project. With the SEBAR team he will complete data collection through interviews with the respondents in Semarang, Jepara, and Karimunjava. He will also continue to analyze data and information, and start to write the content of the ecotourism research paper. With the SEBAR team Mr. Siahaan will finalize the paper on the Management and Implementation of Ecotourism in Indonesia (study case in Karimunjava). Under the direction of his supervisor he will also continue to contribute technical assistance for the implementation of APINDO program activities and participate in discussion forums, seminars, workshops as well as develop networking with other parties.

PROJECT ACCOMPLISHMENTS:

Project	Accomplishment
Research	
The ecotourism research.	<ul style="list-style-type: none"> Produced a paper on The Management and Implementation of Ecotourism in Indonesia (study case in Karimunjava). Researched with identified issues in the management and implementation of ecotourism in Indonesia. The ecotourism research is focused on three variables; stakeholder perception, stakeholder engagement, and government policy. Started to conduct preliminary research and literature study for these variables, developed the concept note, and created the outline of the paper. Made research instruments for the ecotourism research such as determined research methodology, created the framework of analysis, identified the respondents (government, entrepreneur, local community, NGO, tourist), and created questionnaire for data collection.

	<ul style="list-style-type: none"> Prepared interview schedule and contacted the respondents for interviewed and discussion in Semarang, Jepara, and Karimunjawa. The SEBAR team planed to go to research location in Karimunjawa via Semarang and Jepara by end of June 2014.
Policy analysis on infrastructure strategic issues in Indonesia as input in making the APINDO Roadmap 2014-2019.	<ul style="list-style-type: none"> Completed identification and analysis of strategic issues in infrastructure sector and provided recommendation.
Technical Assistance	
Preparing analysis on the APINDO standpoint towards infrastructure sector and PPP project in Indonesia.	<ul style="list-style-type: none"> The availability of analysis on the APINDO standpoint towards infrastructure sector and PPP project in Indonesia as input for policy of the board of DPN APINDO. Employers realize that infrastructure development can not only be undertaken by the government itself because the limited of the government funding. Therefore, it needs participation of the private sector. To increase the participation of private sector in infrastructure investment, the government should support the private sector through a range of policies and easiness in doing the business by providing various incentives and facilities in the infrastructure business.
Meetings, Forums, Seminars, and Workshops	
Attended numerous meetings, forums, seminars, and workshops.	<ul style="list-style-type: none"> Attended consultation meeting with the APINDO roadmap team. Discussion on identification of issues in the development priority sectors.
	<ul style="list-style-type: none"> Attended the SEBAR team meeting with Bappenas. Discussion on progress of the ecotourism research paper.
	<ul style="list-style-type: none"> Attended consultation meeting with the APINDO roadmap team. Discussion on synchronization of the cross-sector issues to prepare the APINDO roadmap (format and substantive issues).
	<ul style="list-style-type: none"> Attended the SEBAR team meeting with USAID (IFACS & IMACS team). Discussion on the ecotourism concept note for the SEBAR team research project.
	<ul style="list-style-type: none"> Attended Development Studies Forum organized by World Bank. Discussion on the Indonesian Middle Class: Evolution and Impact.

OBJECTIVES:

Objective	Timeline
Completion of paper on The Management and Implementation of Ecotourism in Indonesia (study case in Karimunjawa).	Next quarter
Continue to provide technical assistance for the APINDO and complete the SEBAR project activities.	Next quarter
Attend and participate in APINDO and SEBAR project activities such as research, meetings, discussions, forums, seminars, workshops, etc.	Next quarter
Maintenance and develop working relationship with all stakeholders and members of APINDO, KADIN, and AmCham.	Next quarter

PHOTOS:

With participants participated in Development Studies Forum organized by World Bank. Discussion on the Indonesian Middle Class: Evolution and Impact.

3. PATRICK TANGKAU

SEBAR PROJECT ADVISER

THE INDONESIAN CHAMBER OF COMMERCE (KADIN)

Contact E-mail: patrick_tangkau@yahoo.com

Assignment Period: 43 Months: May 23, 2011 - September 22, 2014

Mr. Patrick Tangkau is working as part of the USAID sponsored Strengthening Business Associations for Reform (SEBAR) team. Patrick has been working at the Indonesian Chamber of Commerce (KADIN) and has been cooperating with the other EMDAP Advisers in the Indonesian Employers' Association (APINDO) and the American Chamber of Commerce (AmCham) conducting joint policy research. His research focuses on certain laws that the employer association considers as a hindrance for foreign investment in Indonesia. The results of his research will be used as suggestions for the government to adjust the law so it will benefit Indonesia's business environment. At the same time, this joint research will also strengthen the cooperation between KADIN, APINDO, AmCham and the GOI.

Similar to last quarter, Mr. Tangkau was more active in his KADIN duties during this quarter of 2014. This included, preparing and updating country reports, industrial reports, business inquiries, and business matching reports. As the association for Indonesia companies, KADIN receives inquiries from foreign companies that request advising regarding Indonesia regulations and procedures, lists of Indonesian companies in certain sectors, and requesting to arrange meetings with Indonesian companies.

This quarter Mr. Tangkau was involved with preparing for the Executive Forum - Sustainable Urban Development, in cooperation with State Government of Victoria on 19 June 2014. In this event he helped invite Indonesian companies that were interested in being matched with both Australian companies and other Indonesian companies. Other than the Australian business delegation, Mr. Tangkau also helped prepare for a Bulgarian business delegation visit on 24 June 2014.

On a smaller note, KADIN also held a presidential discussion amongst Indonesian business leaders with the presidential candidate at 20 June 2014. This is an event that KADIN always organizes near the presidential election. They gave input to all the presidential candidates about how to improve the business environment in Indonesia.

Regarding the SEBAR Project, Mr. Tangkau helped schedule meetings with the respondents in the local government in Karimunjawa. The reason they choose Karimunjawa is because it is a growing tourism destination with nature as its main attraction. Unfortunately mass tourism can result in the degradation of the environment and Karimunjawa is experiencing this issue. Mr. Tangkau wants to see if ecotourism is good for Karimunjawa, and perhaps offer solutions of how to solve any problems the city may face. We hope this field trip will give us insight regarding ecotourism situation and problems in Indonesia. We hope to finish this policy paper before the end of our contract in August. Due to numerous respondents, the team is planning to meet each all in one trip from 30 June – 4 July 2014. In this meeting Mr. Tangkau will assist in the interview process and take the lead for the interviews. More information about this trip will be discussed in the next report.

PROJECT ACCOMPLISHMENTS:

Project	Accomplishment
Countries Report for Indonesian Companies	▪ Continued to conduct updates for all countries, newly founded countries,

	<p>and regions.</p> <ul style="list-style-type: none"> ▪ Updated master list for all country reports that have been made by KADIN BSD.
Business Inquiry tasks (which are now services that are charged by KADIN – BSD)	<ul style="list-style-type: none"> ▪ Helped foreign companies find business partners in sectors requested. The companies come from various countries; helped provide a list of Indonesian companies that this foreign company could contact. ▪ Made a list of importers for foreign companies that wish to export their products. ▪ Validated the existence of Indonesian companies to help foreign companies avoid fraudulence. Conducted small research to ministry of law and provide foreign companies with reports regarding the existence and registration of Indonesian companies. ▪ Prepared materials and information for KADIN Secretariat for speeches or for their research. ▪ Wrote article for KADIN Indonesia Newsletter related to various events.
Attending meeting and seminar in various topics as representative from KADIN Indonesia.	<ul style="list-style-type: none"> ▪ Attended Indonesia Green Infrastructure Summit 2014 at Ritz Carlton Hotel, 29 & 30 April 2014. Collected information and data from this event to share with KADIN Indonesia.
KADIN Indonesia Komite Amerika Serikat (KIKAS).	<ul style="list-style-type: none"> ▪ Acted as communicator between KADIN Indonesia and KIKAS. ▪ Attended meetings as rep from KIKAS for BKPM Visit to Los Angeles.

OBJECTIVES:

Objective	Timeline
Create information database regarding KADIN-BSD cooperation and meeting with US Embassy project.	Until the end of the assignment
Update database of foreign embassies in Indonesia for KADIN Indonesia for their future international events.	Until the end of the assignment
Create template and procedures document to conduct KADIN Indonesia capability trainings at Regional KADIN associations together with APINDO and AMCHAM.	Until the end of the assignment

PHOTOS:



KADIN Indonesia presidential dialogue, 20 June 2014.